



JEMALONG WOOL BULLETIN

(week ending 10/02/05)

Table 1: Northern Market Prices

Micron Price Guides	Current MPG Price	Weekly Change	10-yr Average	Current Price to Average	This time last year	Year high	Year low
Northern							
Ind	758	5	767	99%	801	945	734
18	1030	18	1416	73%	976	1145	937
18.5	996	12	1117	89%	957	1088	846
19	955	5	1043	92%	944	1053	889
19.5	898	2	1018	88%	918	1047	867
20	842	3	836	101%	883	1036	805
21	774	7	750	103%	849	1035	762
22	743	6	707	105%	824	1034	718
23	715	1	669	107%	801	1029	686
24	696	5	648	107%	755	1015	410
25	593	5	615	96%	691	938	579
26	548	0	584	94%	659	880	548
28	474	6	523	91%	518	647	468
30	438	6	472	93%	439	550	418
32	401	3	449	89%	385	510	373
MC	458	0	416	110%	452	514	364

Australian Dollar 77.71 USc as of Thu-10-Feb-2005

NORTHERN MARKET REPORT

There were no sales in Melbourne this week due to the three-day specialty fine wool auction sale held in Launceston. Two-day sales were held in Sydney and Fremantle. The national offering was approximately 52,500 bales.

Sales opened in Sydney on Wednesday and saw prices generally higher. 18s and 21s rose 10c/kg clean while other microns were 1-2c/kg clean dearer. Crossbreeds were around 5c/kg clean dearer, while oddments and skirtings were unchanged.

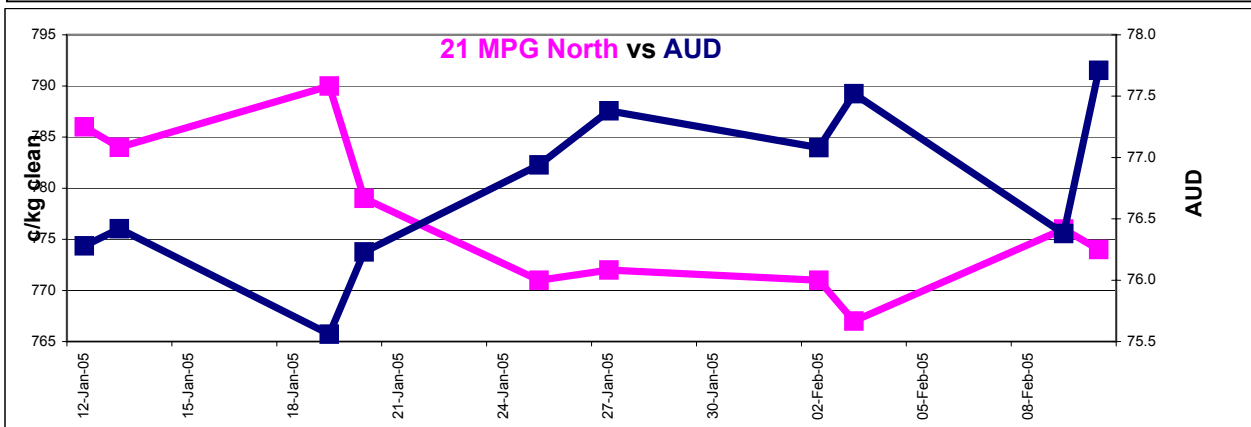
Prices were firm again on Thursday with the finer end the best supported, closing 10c/kg clean dearer. There was little movement in the other microns with prices rising 1-2c/kg clean. Skirtings and oddments were firm. The passed-in rates averaged around 8-9% on both days.

With the uncertain and fluctuating demand that has prevailed recently in the market, wool prices have been very sensitive to movements in the Australian dollar. The graph below highlights this trend since sales resumed in January. The blue line shows the daily movements in the AUD, and the pink line shows the movements in the 21 micron price guide for the Northern region. The two lines virtually mirror each other - any rises in the AUD have helped ease prices, any drop in the AUD has helped prices firm.

The reason the performance of the AUD against the USD is so important to the wool industry is that the Chinese currency is pegged to the USD. Over the past 12 months or more there has been mounting pressure from the West for the Chinese to revalue (appreciate) their currency. The perception in the West is that the Chinese currency is 'cheap', a view not shared by the Chinese leadership. According to the Commonwealth Bank Foreign Exchange Report the Chinese are unlikely to revalue their currency any time soon. While a revaluation/float of their currency is a longer term goal, it may impede their economic integration and flow of investment in the short-term. So, with economic forecasters predicting the USD (and hence the Chinese Yuan) to remain at these levels, the short-term outlook for woolgrowers is a continuation of these price levels.

Sales continue in Melbourne, Sydney and Fremantle next week. The nationally offering (approximately 79,000 bales) next week will be substantially larger and will test the market's underlying demand. More than 50% (40,000 bales) will be offered in Melbourne next week.

Comments: Phil Roberts (Wooltrade)



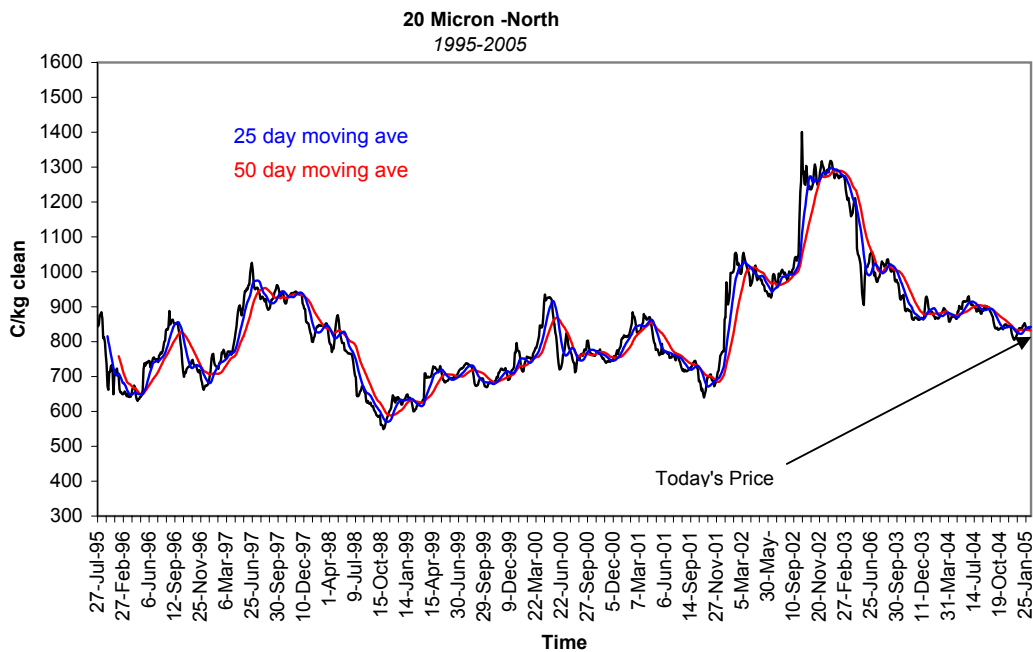


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Table 2: Northern Market Deciles

Micron Price Guide (1995-2005)										
	19	20	21	22	23	24	25	26	28	MC
Current	955	842	774	743	715	696	593	548	474	458
90%	820	666	530	474	440	434	427	397	342	274
80%	906	712	582	520	495	476	456	436	380	305
70%	947	738	633	575	523	500	476	461	403	353
60%	973	765	662	630	564	538	520	484	430	392
50%	1003	814	695	661	609	585	560	507	448	427
40%	1053	854	769	708	640	627	589	530	464	439
30%	1109	894	826	761	718	684	652	547	485	461
20%	1232	941	889	858	839	824	746	595	505	487
10%	1325	1014	1008	1011	1003	993	954	719	563	570





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Table 3: National Australia Bank - Wool Swaps

NAB Producer Bids																
10-Feb-2005																
Delivery Month	18 MIC	Diff. To Spot	19 MIC	Diff. To Spot	20 MIC	Diff. To Spot	21 MIC	Diff. To Spot	22 MIC	Diff. To Spot	23 MIC	Diff. To Spot	24 MIC	Diff. To Spot	28 MIC	Diff. To Spot
Feb-05	1010	-20	930	-25	815	-27	760	-14	725	-18	695	-20	670	-26	455	-19
Mar-05	1015	-15	935	-20	820	-22	770	-4	730	-13	695	-20	670	-26	455	-19
Apr-05	1020	-10	940	-15	820	-22	775	+1	735	-8	695	-20	670	-26	455	-19
May-05	1025	-5	945	-10	820	-22	775	+1	735	-8	695	-20	665	-31	455	-19
Jun-05	1025	-5	945	-10	825	-17	775	+1	740	-3	695	-20	665	-31	455	-19
Jul-05	1025	-5	945	-10	825	-17	780	+6	740	-3	695	-20	665	-31	455	-19
Aug-05	1030	0	945	-10	825	-17	780	+6	740	-3	695	-20	665	-31	455	-19
Sep-05	1030	0	945	-10	825	-17	785	+11	740	-3	695	-20	665	-31	455	-19
Oct-05	1035	+5	950	-5	825	-17	790	+16	740	-3	695	-20	665	-31	455	-19
Nov-05	1035	+5	950	-5	825	-17	790	+16	740	-3	695	-20	665	-31	455	-19
Dec-05	1035	+5	950	-5	825	-17	790	+16	740	-3	695	-20	665	-31	455	-19
Jan-06	1035	+5	950	-5	825	-17	790	+16	740	-3	695	-20	665	-31	455	-19
Feb-06	1039	+9	954	-1	824	-18	789	+15	739	-4	694	-21	664	-32	454	-20
Mar-06	1038	+8	953	-2	823	-19	788	+14	738	-5	693	-22	663	-33	453	-21
Apr-06	1042	+12	957	+2	822	-20	787	+13	737	-6	692	-23	662	-34	452	-22

